



Legislation Text

File #: 1686-2014, **Version:** 1

BACKGROUND: The need exists to enter into an Enterprise Zone Agreement with Clarus Partners, LLC and Clarus Solutions, LLC. The Ohio Enterprise Zone law (Section 5709.62(C) of the Ohio Revised Code) requires the City to enter into Council-approved agreements between the City and participating companies.

Headquartered in Columbus, Clarus Partners, LLC is a locally owned accounting firm, whose origin dates to the mid-1950s. In 2007, Clarus Partners, LLC expanded beyond the basics and added a pair of additional partners, Brent Johnson and Mike Stevenson. Today, Clarus Partners, LLC has five partners, each with a unique skill set, and dozens of associates providing guidance in individual tax, CFO outsourcing, due diligence, litigation support, business valuation, corporate tax services, and many other supportive functions.

Clarus Solutions, LLC, an affiliated company owned largely by the principles of Clarus Partners, LLC, is a relatively new venture designed to target middle-market companies to encourage their participation in tax incentive programs once only used by large corporations because of the burdensome application and reporting requirements. An early success has been the Work Opportunity Tax Credit (WOTC) that is believed to be poised for wider use due, in part, to recent federal program reforms. To aide in the administration of this incentive, and others, Clarus Solutions, LLC created customized software to allow for a quick and easy application and hassle-free annual reporting.

Clarus Partners, LLC is proposing to purchase and renovate an existing, +/-20,000-square-foot building, 1233 Dublin Road, Columbus, Ohio 43215 (parcel number 010-129600), to house the current and future operations of both practices, Clarus Partners, LLC and Clarus Solutions, LLC, as part of lease arrangements. Clarus Partners, LLC will invest a total of approximately \$2,800,000 related to property acquisition and building renovations so that Clarus Partners, LLC and Clarus Solutions, LLC will retain and relocate a combined 39 full-time permanent positions with an associated annual payroll of approximately \$3,232,200 from 350 E. 1st Ave., Suite 150, Columbus, Ohio 43201 and create 33 new full-time permanent positions with an associated new annual payroll of approximately \$1,745,600.

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) years on real property improvements for the purpose of renovating an existing, +/-20,000-square-foot building, 1233 Dublin Road, Columbus, Ohio 43215 (parcel number 010-129600).

The Columbus City School District has been advised of this project.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of Development to enter into an Enterprise Zone Agreement with Clarus Partners, LLC and Clarus Solutions, LLC for a tax abatement of seventy-five percent (75%) for a period of ten (10) years.

WHEREAS, the Columbus City Council authorized the designation of the Central Enterprise Zone by legislation, Ordinance Number 779-85, dated April 22, 1985; and subsequently amended the Zone by Ordinance 2722-85 in 1986; 2080-89 in 1989; 1949-92, 2690-92 and 2249-92 in 1992; 1079-94 and 1228-94 in 1994; 2196-95 and 2817-95 in 1995; 0533-99 in 1999; 1785-00 in 2000; 1464-02 in 2002; 0225-03 in 2003; and 0032-2012 in 2012; and

WHEREAS, the Director of the Development Department of the State of Ohio determined that the Columbus Enterprise Zone as amended by the aforementioned Ordinances continued to contain the characteristics set forth in Section 5709.61 (A) of the Ohio Revised Code and recertified said Zone in 1986, December 20, 1989, September 28, 1992, October 22, 1992, December 17, 1992, May 31, 1994, June 24, 1994, June 16, 1995, October 5, 1995, December 19, 1995, April 1, 1999, September 25, 2000, January 27, 2003, August 19, 2003 and most recently on April 3, 2012 as an "urban jobs and enterprise zone" under Chapter 5709 of the Ohio Revised Code; and

WHEREAS, Clarus Partners, LLC is proposing to purchase and renovate an existing, +/-20,000-square-foot building, 1233 Dublin Road, Columbus, Ohio 43215 (parcel number 010-129600), to house the current and future operations of both practices, Clarus Partners, LLC and Clarus Solutions, LLC, as part of lease arrangements; and

WHEREAS, Clarus Partners, LLC will invest a total of approximately \$2,800,000 related to property acquisition and building renovations; and

WHEREAS, contingent on the City granting an Enterprise Zone Tax Abatement, Clarus Partners, LLC and Clarus Solutions, LLC will retain and relocate a combined 39 full-time permanent positions with an associated annual payroll of approximately \$3,232,200 from 350 E. 1st Ave., Suite 150, Columbus, Ohio 43201 and create 33 new full-time permanent positions with an associated new annual payroll of approximately \$1,745,600; and

WHEREAS, Clarus Partners, LLC and Clarus Solutions, LLC have each indicated that receiving this tax incentive from the City is crucial to their decision to advance the aforementioned expansion in Columbus; and

WHEREAS, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, the City desires to enter into such a binding formal agreement in order to foster economic growth for the preservation of the public health, property, safety and welfare; **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That City hereby finds and determines that the project will (1) create jobs in the State and City (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax abatement is a critical factor in the decision by Clarus Partners, LLC and Clarus Solutions, LLC to purchase and renovate the Dublin Road facility.

SECTION 2. That the Director of Development is hereby authorized and directed to enter into and execute an Enterprise Zone Agreement with Clarus Partners, LLC and Clarus Solutions, LLC to provide therewith an exemption of seventy-five percent (75%) on real property improvements for a term of ten (10) taxable years in association with the project's proposed investment of approximately \$1,500,000 toward improvements to an existing building, the retention and relocation of a combined 39 full-time permanent positions with an associated annual payroll of approximately \$3,232,200, and the creation of 33 new full-time permanent positions with an associated new annual payroll of approximately \$1,745,600.

SECTION 3. That the City of Columbus Enterprise Zone Agreement shall be signed by Clarus Partners, LLC and Clarus Solutions, LLC within ninety (90) days of passage of this ordinance or this ordinance and the abatement authorized herein shall be null and void.

SECTION 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.

